IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[1998] SGHC 78

Suit 2295/1996

Between

Group Industries Pte Ltd

… *Plaintiff*

And

Joint Piling & Construction Pte Ltd
Lee Eu Hwa
Ng Buay Chai

… *Defendant*

GROUNDS OF DECISION

Version No 1: 20 Nov 2026 (00:35 hrs)

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Group Industries Pte Ltd v Joint Piling & Construction Pte Ltd and Others

[1998] SGHC 78

Suit 2295/1996
Lee Seiu Kin JC
20 March 1998

Judgment:

ORAL JUDGMENT

1 I would dismiss the claim of the plaintiff against the three defendants. The principal reason is that on my finding of the facts, I find that the plaintiff is estopped by reason of express oral representations that he would not enforce the interest provision in the contract.

2 The case hinges on, I think basically, the contradiction between the evidence of PW1 and DW1, and I have to analyse the two contradicting evidence. I find that the DW1's evidence is much more likely to be correct than PW1's evidence principally because in the circumstances, DW1's evidence is more consistent with the surroundings facts particularly the fact that there was no mention of interest in the invoices although the accounts were way overdue for a very long period. Also, in the preamble to the letter of guarantee sent in June 1994, the indebtedness of the first defendant does not include the interest that would have accrued to the plaintiff. And in the various reminders sent by the plaintiff to the

defendants from mid 1995 to about August 1996, there was also no mention of interest. In one of these reminders the plaintiff mentioned that one of the consequences of pay would be the suspension of supply, but did not mention interest.

3 I agree with Mr Kumaran that this does not, by itself, necessarily remove the contractual right to claim for interest as the plaintiff is entitled to do so under the terms of the contract. But what these facts indicate to me is that the defendant's version of the evidence, ie., that there was an express representation from the plaintiff that he would not enforce the interest clause is more likely to be true. On top of that, I find also from the demeanour of the two witnesses that DW1 was the more forthright witnesses in the witness box. So these are my principal grounds for the holding of facts.

4 I am of the opinion that these verbal assurances amounted to representations which are capable of raising an estoppel against the plaintiff. And I find that the defendant did rely on these representations and altered his position. I think the facts do show that he altered his position to his detriment and that it would be inequitable in the circumstances, particularly, in the light of the plaintiff's claim for interest of all invoices, whether or not already paid on the date of the first demand for interest which is sometime in September 1996. In the light of that, it would be inequitable for the plaintiff to insist on its strict legal rights.

5 Having made the finding in relation to the estoppel, it follows that the liability of the second and third defendant under the letter of guarantee would also not arise and, that therefore, the actions against the second and third defendant will also be dismissed.

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6 There are only two other points which I do not propose to make findings on at this stage, which I will, if I am required to do so later, ie, if there is an appeal. That is, on the point of whether even if no oral representation was made, the conduct of the defendants would amount to a representation. And the other point, of course, is whether there is a collateral contract. So I do not propose to make a finding on these questions at this time. It only remains for me to order costs. I order that the plaintiff pay the defendants costs in this suit.

Sgd:

LEE SEIU KIN

JUDICIAL COMMISSIONER

Lee Seiu Kin JC

Muthu Kumaran (W T Woon & Co) for the plaintiff
Tan Liam Beng (Drew & Napier) for the defendant

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